

Message Text

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PAGE 01 MEXICO 03841 070007Z
ACTION ARA-14

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TAGS: ELAB, MX, PINR
SUBJECT: SOMETHING BREWING IN THE LABOR SECTOR

1. A RECENTLY DEVELOPED MUTUAL ASSISTANCE PACT BETWEEN THE MEXICAN ELECTRICAL WORKERS UNION (SME) AND THE TELEPHONE WORKERS UNION OF THE REPUBLIC OF MEXICO (STRM) INDICATES THAT LABOR PATIENCE WITH THE LOPEZ PORTILLO WAGE GUIDELINES (10 PERCENT FOR THE PAST YEAR, 12 PERCENT PRESENTLY) MAY BE STRETCHING THIN. WHILE LITTLE STRATEGY HAS BEEN REVEALED, THE TWO UNIONS HAVE ANNOUNCED THEIR PLANS TO "ASSIST EACH OTHER" IN COLLECTIVE NEGOTIATIONS. THE SME CONTRACT WITH THE FEDERAL ELECTRIC (POWER) COMMISSION (CFE) EXPIRES IN MID-MARCH, WHILE THE TELEPHONE CONTRACT IS IN FORCE THROUGH APRIL 25.

2. ON THE AFTERNOON OF MARCH 2 A SIZABLE GROUP OF MEMBERS OF BOTH UNIONS PARADED THROUGH THE DISTRICT WHICH HEAD-QUARTERS THE CFE, THE TELEPHONE COMPANY AND THEIR RESPECTIVE UNIONS. DELEGATIONS OF AFFILIATES OF THE CTM AND CONGRESS OF LABOR PARTICIPATED IN THE DEMONSTRATION ALONG WITH REPEAT ALONG WITH DELEGATIONS FROM STUNAM, THE FAR-LEFT UNION OF UNIVERSITY OF MEXICO PROFESSORS AND EMPLOYEES, AND THE ONLY MEXICAN WFTU AFFILIATE, THE GENERAL
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PAGE 02 MEXICO 03841 070007Z

UNION OF WORKERS AND CAMPESINOS (UGOCM-JACINTO LOPEZ). THE LATTER TWO GROUPS ARE RARELY IF EVER SEEN WITH "OFICIALISTA" UNIONS.

3. COMMENT: AT THIS EARLY STAGE IT IS DIFFICULT TO DETERMINE IF THIS EVENT SIGNIFIES ANY DANGER TO JLP'S WAGE GUIDELINES. IF THEY ARE BROKEN THIS YEAR IT MIGHT MOST

LIKELY BE DONE BY THE SME AND/OR THE STRM. WHILE BOTH ARE AFFILIATES OF THE PRI PARAMOUR CONGRESS OF LABOR, BOTH ARE CONSIDERED TO BE ITS LEAST DEPENDABLE COMPONENTS. THE SME HAS A CONSIDERABLE MARXIST FOLLOWING WITHIN, WHICH HAS INFLUENCED BUT SELDOM CONTROLLED ACTION OF THE UNION. STRM WAS SEIZED BY AN 8-TO-1 VOTE MARGIN SEVERAL YEARS BACK BY REFORMIST LEADERS VARIOUSLY DESCRIBED AS MARXISTS, INSURGENTS, OR COMMUNISTS. THEY HAVE TURNED OUT TO BE LESS RADICAL BUT NEVERTHELESS ARE DIFFICULT FOR THE PRI AND FIDEL VELASQUEZ TO MANAGE.

4. WE CANNOT EXPLAIN THE PRESENCE OF "CONGRESS" AND OPPOSITION ELEMENTS TOGETHER IN THE MARCH 2 DEMONSTRATION. WHILE EITHER OF THE TWO PRINCIPAL UNIONS WOULD NOT OBJECT TO THEIR PRESENCE, IT IS HIGHLY UNUSUAL FOR OTHER "CONGRESS" LEADERS TO BE SEEN WITH THEM. WHILE MOST "CONGRESS" LEADERS HAVE SELDOM WAVERED IN THEIR SUPPORT OF THE GOVERNING PARTY, MANY HAVE BEEN UNCOMFORTABLE WITH THE JLP WAGE GUIDELINES. WE TEND TO THINK THE MOTIVE FOR THEIR PARTICIPATION IS ECONOMIC AND A POSSIBLE WARNING TO JLP THAT THEY ARE SUFFERING BECAUSE OF HIS AUSTERE POLICIES.

5. MOST OBSERVERS, OR AT LEAST THOSE WHO COMMENT, WERE SURPRISED THAT "OFICIALISTA" LABOR WAS ABLE TO HOLD WAGE INCREASES TO THE 10-12 PERCENT RANGE DURING 1977. IT IS ARGUED THAT LABOR, PRIMARILY THROUGH THE EFFORTS OF FIDEL LIMITED OFFICIAL USE

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PAGE 03 MEXICO 03841 070007Z

VELASQUEZ, DID MUCH MORE TO HOLD WAGES DOWN THAN THE COUNTRY'S CAPITAL-MERCHANT CLASS DID FOR PRICES. SOME MIGHT SAY THAT THE BUSINESS MANAGERS DO NOT HAVE THAT MUCH CONTROL OVER PRICES (EXCEPT AT EXPENSE OF PROFITS); WE THINK THE VIEW THAT LABOR DID MORE THAN MANAGEMENT IS AN ARGUMENT MORE THAN APPARENT, I.E. FEW WOULD ARGUE THAT PROFIT MARGINS HAVE INCREASED IN THE PAST FEW YEARS.

6. MAJOR BUSINESS LEADER JORGE SANCHEZ MEJORANDA COMMENTED LAST WEEK THAT VELASQUEZ "DESERVES A MONUMENT" FOR HIS PERFORMANCE. BUT FIDEL HAD DIFFICULTIES LAST YEAR AND USED UP CONSIDERABLE CREDIT WITH HIS PEERS IN THE PROCESS. WHILE NO OFFICIAL FIGURES ON PRICES HAVE BEEN RELEASED SINCE A NUMBER OF BASIC PRODUCTS WERE FREED FROM PRICE CONTROLS ON FEB 1, LABOR GENERALLY CLAIMS THE ACTION SET OFF ANOTHER ROUND OF SHARP INCREASES FOR MANY OF THE ITEMS WHICH MAKE UP THE WORKERS' MARKET BASKET. GENERAL SENTIMENT AMONG "OFICIALISTA" LABOR LEADERS IS A HOPE THAT THE 1978 WAGE GUIDELINES WILL BE BROKEN. FEW WILL TAKE THE LEAD IN THE EFFORT BUT GLADLY OFFER SUPPORT TO THE CME-STRM EFFORT. LUCEY

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